

May 9, 1975

I have distributed both the amendment to you that's been proposed and another paper with a list of six agencies or categories of programs. What I am suggesting here is an across the board cut back on all of our appropriation actions that have to do with operating expenses. In other words, everything except capital construction, with six exceptions. I want to mention those now. There don't happen to be any exceptions in the particular bill before us, 603, but there are in other areas. If you'll look on that paper you'll see on top of it "Commission on Aging and Crime Commission". I am excepting them from the 3% cut back because there's no room for a cut back unless we want to jeopardize federal funds that are required. They are minor programs in terms of total dollars, you'll notice substantially less than a million each. I'm also exempting for sort of obvious reasons the Retirement Board, \$5.1 million, and the Homestead Exemption, \$17.8 million. Furthermore, you'll notice that the operational programs of the Department of Public Institutions, \$29.71 million, and the operational programs of the Department of Corrections, \$9.75 million are exempted. Not exempted from those two agencies are administrative costs. I am doing that for humanitarian reasons. We simply cannot cut back 3% in those two agencies. After carefully looking at the decisions of the Budget Committee thus far and the additions that have been made here on the floor, I believe that with those exceptions we can realistically ask for a 3% cut back across the board. You'll see the language in the bill that I'm presenting on 610, for the bill having to do with higher education, that I am asking that the cut backs be made in administrative costs and not in on-campus educational programs and not in the area of building maintenance since that is false economy. Let me give you a few comments about the rationale behind this. Obviously, it has to do with what I think is an appropriate belt-tightening measure. What I am offering here I would hope you would consider, as I do, very abnormal type of amendment to go on the floor, but totally justified by the adverse economic conditions we have. Agency heads should not expect this sort of action to be taken in the future if we do it today, unless economic conditions are similar. In other words, they should not take this as an excuse to pad their budget proposals in the future, since we would not anticipate doing this. Now speaking very frankly to you I think it's fair to say, I believe the members of the Budget Committee would also agree with this in total, that we are not realistically able, at least we weren't this year, to take the type of careful look at continuation expenditures that we'd like to take. Therefore, I am suggesting that there are many areas of administrative savings, obsolete programs and vacancy savings which can be taken advantage of by agency administrators. The 3% cut back, therefore, would not be a hardship upon those agencies. If you take a look at the amount of money budgeted for agencies on continuation only you find that it's approximately on the average 8 to 9% continuation increase. In addition, over and above that, we have the new programs. Therefore, in short I feel that we can expect agencies to meet a 3% cut back, that's 3% over and above what we've appropriated additionally on continuation programs, without harming the quality services delivered in this one year.